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February 17, 2000 INTERNET WEB http://www.bccb.com/

David Waddell **Executive Director** Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243-0505

> Amendment to Application of BroadBand Office Communications, Inc. for RE:

a Certificate of Public Convenience and Necessity to Provide Local Exchange and Intrastate Interexchange Telecommunications Services as a

Competitive Telecommunications Service Provider ("Application")

Docket No. 00-00014

Dear Mr. Waddell:

Additional information is being submitted to supplement the Application previously filed. This supplemental information is in response to an information request received from Ms. Patsy Fulton. Her comments, and BroadBand's replies, are given below. Please note that a portion of the information submitted today is proprietary, and as such, is being submitted in a separate envelope under seal. This information is to be filed as confidential information pursuant to TRA Rule 1220-1-1.03(8).

Do BroadBand Office Communications customers need to provide any 1) equipment not being used currently with the ILEC?

No, BBOC will not require customers to provide any equipment not currently being used with the ILEC.

Please provide the toll-free number to be provided for customer service, address for written communication, and explain how the applicant intends to comply with customer service inquiries. Also, please provide Tennessee contact person responsible for and knowledgeable about provider's operations.

Consumers may contact BBOC's customer service representatives regarding a broad range of service matters, including (i) the types of services offered by Applicant and the rates associated with such services; and (ii) problems or concerns pertaining to the consumer's current service. Applicant's customer service representatives will be available to assist consumers twentyFebruary 17, 2000 Page 2

four hours per day, seven days per week. The toll-free number for customer service is 888-746-4226, and the address for written communication from consumers is

BroadBand Office Communications, Inc. 2070 Chain Bridge Road, Suite 350 Vienna, Virginia 22182

The Tennessee contact person responsible for and knowledgeable about BBOC operations is Mr. Woody Traylor.

3) Applicant has provided notice to three (3) local exchange carriers; however, the TRA requires a written certificate of service on all eighteen (18) ILECs in Tennessee with a statement regarding the company's intention of operating geographically.

[This requirement was met previously, as documented by the January 28, 2000 service certified by Charles Hudak.]

4) Please provide a capital expenditures budget for 2000, 2001, and 2002. This should include the type of equipment being deployed, cost of equipment, and sources for funding the Tennessee network, equipment, and unbundled elements.

This information, marked as "Exhibit F" to the Application, is submitted in the enclosed separate envelope under seal and marked "Confidential."

5) Applicant has provided three years projected financial statements for BroadBand Office, Inc.; however, the TRA also needs the three years projected financial statements for BroadBand Office Communications, Inc.

(This information is identical for both companies, and is hereby resubmitted marked as "Exhibit F" to the Application, in the enclosed separate envelope under seal and marked "Confidential.")

Please provide an explanation as to the source of the \$50,154,000 cash, equivalents, and marketable securities for 1999 for Broadband Office, Inc. and if that will be available for the purchase of equipment, expenses, etc. for BroadBand Office Communications.

Sources of capitalization are evident from the stockholders equity spreadsheet provided as part of "Exhibit F," provided in the separate sealed envelope and marked "Confidential." The capitalization will be available for the purchase of equipment and other expenses for BBOC.

7) Please provide complete explanation of the relationship between BroadBand Office Communications, Inc. and BroadBand Office, Inc.

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Broadband Office Communications, Inc. ("BBOC"), incorporated on November 2, 1999, is the sole wholly-owned subsidiary of BroadBand Office, Inc., incorporated August 29, 1999. BroadBand Office, Inc. is a holding company for BBOC.

8) Applicant has provided pre-filed testimony; however, this needs to be signed by Mr. Woody Traylor, Vice President of Regulatory Affairs and Secretary, and notarized to set for hearing date.

The signed, notarized prefiled testimony is enclosed.

10) A list of the corporate officers is needed, as well as biographies on the financial executives.

The two corporate officers of BBOC are Johnson Agogbua, President, and Woody Traylor, Vice President and Secretary.

The financial executive for BBOC is Betsy Hanlon. She presently serves as the Acting Chief Financial Officer at BroadBand Office, Inc. Ms. Hanlon was previously Chief Financial Officer, treasurer, and controller of several organizations, including Univax and PerImmune, Inc. She began her career at COMSAT after receiving an MBA from the Wharton School at the University of Pennsylvania.

We trust this information satisfies the data request from Ms. Fulton and we look forward to getting a hearing date scheduled before the Board. If you need any further information regarding this Application, please feel free to contact me at 252-2302.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

April A. Ingram

AAI/ Enclosures

cc: Woody Traylor
Kristin Smith, Esq.

EXHIBIT "J" PRE-FILED TESTIMONY OF WOODY TRAYLOR, VICE PRESIDENT OF REGULATORY AFFAIRS AND SECRETARY OF APPLICANT

BEFORE THE

TENNESSEE REGULATORY AUTHORITY

| IN RE: |) | |
|-----------------------------------|---|------------|
| |) | |
| APPLICATION OF BROADBAND OFFICE |) | |
| COMMUNICATIONS, INC. FOR A |) | |
| CERTIFICATE OF PUBLIC CONVENIENCE |) | |
| AND NECESSITY TO PROVIDE LOCAL |) | |
| EXCHANGE AND INTRASTATE |) | |
| INTEREXCHANGE TELECOMMUNICATIONS |) | DOCKET NO. |
| SERVICES AS A COMPETITIVE |) | |
| TELECOMMUNICATIONS SERVICE |) | |
| PROVIDER WITHIN THE |) | |
| STATE OF TENNESSEE |) | |

DIRECT TESTIMONY OF WOODY TRAYLOR ON BEHALF OF BROADBAND OFFICE COMMUNICATIONS, INC.

DOCKET NO. _____

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COUNSEL FOR BROADBAND OFFICE COMMUNICATIONS, INC.

DIRECT TESTIMONY OF WOODY TRAYLOR ON BEHALF OF BROADBAND OFFICE COMMUNICATIONS, INC. DOCKET NO. _____

- Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
- A. My name is Woody Traylor, and my business address is 2070 Chain Bridge Road, Suite
 G- 99, Vienna, Virginia 22182.
- Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
- A. I am employed by BroadBand Office Communications, Inc. ("BBOC") as Vice President of Regulatory Affairs and Secretary.
- Q. PLEASE IDENTIFY BBOC.
- A. BBOC, a wholly-owned subsidiary of BroadBand Office, Inc. ("BroadBand Office"), is a Delaware corporation which is authorized to transact business within the State of Tennessee.
- Q. WHAT ARE YOUR RESPONSIBILITIES WITH BBOC?
- A. I am responsible for overseeing certain of BBOC's daily operations with respect to state and federal regulatory and public policy issues.
- Q. PLEASE PROVIDE A BRIEF BACKGROUND OF YOUR EDUCATION AND EXPERIENCE.
- A. Before I joined BBOC, I was the Director of Numbering Policy and Administration at MCI WorldCom ("MCI"), where I represented MCI's interests in national industry standards in the areas of network interconnection, signaling standards, and numbering issues. In addition, I served as MCI's primary technical advocate and policy counsel with respect to various numbering issues, including Local Number Portability advocacy, NPA relief positions and number conservation matters. I also spent seven (7) years with

Bell Atlantic, where my duties included, inter alia, representing Bell Atlantic in national forums in areas of network interconnection and SS7 deployment issues. I also worked for the C&P Telephone Company of Virginia from June of 1970 to November of 1979, where I served in numerous technical and managerial positions including: Network Administration, with responsibility for administrative support for Electro-Mechanical switching systems; and Personnel Assessment, with responsibility for determining appropriateness and readiness of candidates for promotion into management.

I received my B.S. degrees in Mathematics, Sociology and Physics from the University of Richmond in 1971. I also received M.S. degrees in Demography and Statistics from Florida State University in 1973.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

- A. The purpose of my testimony is to support BBOC's application for authority to provide facilities-based and resold local exchange and intrastate, interexchange (interLATA and intraLATA toll) telecommunications services as a competitive telecommunications service provider within the State of Tennessee.
- Q. WILL OTHER WITNESSES BE TESTIFYING ON BEHALF OF BBOC?
- A. No.
- Q. ARE YOU FAMILIAR WITH THE APPLICATION THAT BBOC HAS SUBMITTED TO THIS COMMISSION?
- A. Yes, I am.
- Q. DO YOU RATIFY AND CONFIRM THE STATEMENTS AND REPRESENTATIONS MADE IN THAT APPLICATION?
- A. Yes, I do.

Q. PLEASE DESCRIBE BBOC AND ITS BUSINESS ACTIVITIES.

- A. BBOC was created in 1999 to provide a wide-array of communications services, including traditional local exchange and intrastate interexchange "voice" telecommunications services, data communications services, LAN networking services, Internet, web-hosting, e-mail management and e-commerce services, and video conferencing services to tenants of certain commercial office buildings located in various states, including Tennessee. Currently, BBOC has filed, or is in the process of filing, applications for authority to provide the telecommunications services described herein in the states of Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Ohio and Texas. BBOC has not been denied authority to provide intrastate telecommunications services in any state and has not been subject to any regulatory penalties for violating state or federal telecommunications statutes, rules or regulations (e.g., slamming).
- Q. HAS BBOC EVER PROVIDED SERVICE IN THE STATE OF TENNESSEE UNDER ANY OTHER NAME?
- A. No, BBOC has never offered service in the State of Tennessee under any other name.
- Q. PLEASE DESCRIBE THE AUTHORIZATION SOUGHT BY BBOC IN THIS PROCEEDING.
- A. BBOC is seeking authority to provide facilities-based and resold local exchange and intrastate, interexchange (interLATA and intraLATA toll) telecommunications services as a competitive telecommunications service provider within the State of Tennessee.

- Q. PLEASE DESCRIBE HOW BBOC PROPOSES TO PROVIDE LOCAL EXCHANGE AND INTRASTATE, INTEREXCHANGE SERVICE THROUGHOUT THE STATE OF TENNESSEE.
- A. BBOC intends to provide local exchange services (i) on a resale basis by reselling the services of other certificated local exchange carriers operating in the State of Tennessee (as necessary), and (ii) on a facilities-based basis by deploying its own transmission facilities and by utilizing unbundled network elements (e.g., transport) obtained from certificated incumbent local exchange carriers operating in the State of Tennessee.

 BBOC intends to construct its own transmission facilities, including intra-building facilities which will be located in commercial office buildings served by BBOC, and network facilities (e.g., switching equipment, computers and associated electronics) which will be placed in BBOC's own locations.

BBOC intends to provide facilities-based interexchange (interLATA and intraLATA toll) telecommunications services to business customers through the use of a combination of unbundled network elements leased from other certificated carriers, BBOC's own facilities, and long distance transmission facilities leased or purchased from certificated long distance carriers. Until BBOC's facilities are operational, BBOC intends to provide interexchange telecommunications resale services.

Q. PLEASE DESCRIBE THE TECHNICAL RESOURCES OF BBOC.

A. BBOC has sufficient technical ability to provide the services for which authority is requested in the Application. BBOC's management team includes individuals who have been instrumental in designing, implementing and operating several telecommunications networks for companies such as Bell Atlantic, BellSouth, MCI/WorldCom and UUNET.

Further descriptions of BBOC's management personnel and the technical resources they bring to BBOC are set forth at Exhibit "E" of the Application.

Q. PLEASE DESCRIBE THE MANAGERIAL RESOURCES OF BBOC.

A. BBOC's management team has the extensive business, technical, operational and telecommunications regulatory experience essential to operating a successful telecommunications company. BBOC's management personnel are set forth at Exhibit "E" of the Application.

Q. PLEASE DESCRIBE BBOC'S FINANCIAL CAPABILITY TO PROVIDE THE SERVICES PROPOSED HEREIN.

A. BBOC possesses sufficient financial capability to provide its local exchange and intrastate interexchange telecommunications services on a continuous basis. Inasmuch as BBOC is a newly-created telecommunications carrier which has not yet commenced the provision of intrastate telecommunications services in any state, balance sheets and income statements describing Applicant's operations are not currently available.

However, BBOC has the assurance of its parent, BroadBand Office, that BBOC will be provided with all financial resources necessary to operate in a continuous and reliable manner. BBOC has submitted to the TRA, under trade secret protection, financial information regarding BroadBand Office, which further demonstrates BBOC's ability to provide the services proposed herein.

Q. PLEASE IDENTIFY THE CERTIFICATED AREAS FOR WHICH BBOC IS REQUESTING AUTHORITY IN THIS APPLICATION.

A. BBOC is seeking authority to provide facilities-based and resold local exchange and intrastate, interexchange (interLATA and intraLATA toll) telecommunications services

as a competitive telecommunications service provider within the State of Tennessee, i.e., BBOC seeks authority to provide these services on a state-wide basis to the fullest extent permitted by applicable law or Tennessee Regulatory Authority ("TRA") order.

- Q. PLEASE DESCRIBE THE SERVICES BBOC INTENDS TO OFFER PURSUANT TO THE AUTHORITY REQUESTED IN THIS APPLICATION.
- A. BBOC's proposed local exchange services may include single and multi-line local exchange and access services, Private Branch Exchange (PBX) interconnect services, directory listing services and "911" emergency services. BBOC's proposed services may include direct dial ("1+") services, measured toll services, private line services, and toll-free (e.g., "800", "888") services.
- Q. HOW WILL BBOC PERFORM BILLING AND CUSTOMER SERVICE FUNCTIONS FOR THE SERVICES OFFERED?
- A. BBOC intends to bill its customers directly for local exchange and intrastate, interexchange telecommunications services. The charges, based upon the rates which will be set forth in BBOC's tariffs, BBOC's name, and its telephone number for customer assistance will appear on all invoices. As a new entrant into the Tennessee telecommunications marketplace, BBOC has not yet finalized its policies regarding customer service orders, inquiries and complaints. However, BBOC intends to comply with all rules and regulations that the TRA may impose subject to Tennessee law as now or hereafter enacted.
- Q. WILL BBOC COMPLY WITH ALL APPLICABLE TRA RULES AND TENNESSEE LAWS?

A. BBOC hereby asserts its willingness and ability to comply with all rules and regulations that the TRA may impose subject to Tennessee law as now or hereafter enacted.

Q. IN YOUR OPINION, IS THE GRANTING OF BBOC'S APPLICATION IN THE PUBLIC INTEREST?

A. Yes. Using state of the art network technology, BBOC intends to provide a single source for high quality voice and data communications products and services to business customers in particular commercial office buildings located in the State of Tennessee. In addition to traditional local exchange and intrastate interexchange voice telecommunications services, BBOC intends to satisfy the explosive demand created by the Internet by offering its customers a wide-array of value-added products such as web hosting, e-mail management and video conferencing. By offering a wide variety of communications products and services, BBOC intends to simplify the purchasing decisions of small and medium-sized business customers, thus freeing them to focus more resources on their core business activities.

Furthermore, the presence of another authorized local exchange and intrastate interexchange carrier will provide additional choices to consumers, promote competition, and lead to the reduction of consumer costs for telecommunications services.

Competition, in turn, will encourage efforts by other certificated telecommunications providers to broaden the range of choices for Tennessee consumers of local exchange and intrastate interexchange services. BBOC submits that, based on the information supplied herein, its proposed service offerings will provide Tennessee consumers with high quality telecommunications products and services at reasonable rates while encouraging

innovation and efficiency among all providers of telecommunications products and services in the state.

- DOES THIS CONCLUDE YOUR TESTIMONY? Q.
- A. Yes, it does.

VERIFICATION

Commonwealth of Virginia County of Farax

I, Woody Traylor, being duly sworn, depose and say I am an officer of BroadBand Office Communications, Inc., that I am authorized to make this verification that I have read the foregoing Testimony on behalf of BroadBand Office Communications, Inc., and know the contents thereof, and that the same is true of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct this the 7th day of February, 2000.

Title: Vice President of Regulatory Affairs

and subscribed before me, this The day of February, 2000. Sworn to

Notary Public

My commission expires: